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TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Financial Statement
July 1, 1997 through June 30, 1998

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Release Date FEB 4 1999

TANGIPAHOA PARISH TAX COLLECTOR
AMITE, LOUISIANA

Financial Statements
July 1, 1997 through June 30, 1998

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BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA
Charles P. Hebert, CPA
James D. Rabalais, CPA

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

MEMBERS
American Institute of
CPAs
Society of Louisiana CPAs

INDEPENDENT AUDITOR'S REPORT

Honorable J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the accompanying statement of changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1997 through June 30, 1998. These financial statements are the responsibility of the Tangipahoa Parish Tax Collector Agency Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Tangipahoa Parish Sheriff is the ex-officio tax collector for the various taxing bodies within Tangipahoa Parish, and the accompanying financial statements present information only on his activities as parish tax collector. Accordingly, the accompanying financial statements are not intended to and do not present the financial position and results of operations of the Tangipahoa Parish Sheriff.

In our opinion, the financial statements referenced in the first paragraph present fairly, in all material respects, the changes in assets and liabilities of the Tangipahoa Parish Tax Collector Agency Fund for the period from July 1, 1997 through June 30, 1998 in conformity with generally accepted accounting principles. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Tangipahoa Parish Tax Collector Agency Fund. Such information has been subjected to the procedures applied in the examination of the statement of changes in assets and liabilities and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the Tangipahoa Parish Tax Collector Agency Fund.

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In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 1998, on our consideration of the Tangipahoa Parish Sheriff's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

August 28, 1998

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Statement A

Statement of Changes in Assets and Liabilities
July 1, 1997 through June 30, 1998

	<u>Balance</u> <u>07/01/97</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/98</u>
Assets:				
Cash	\$ 116,955	\$ 17,274,866	\$ 17,327,574	\$ 64,247
Receivables	9,722	-	8,712	1,010
	<u>\$ 126,677</u>	<u>\$ 17,274,866</u>	<u>\$ 17,336,286</u>	<u>\$ 65,257</u>
 Liabilities:				
Due to Taxing Bodies & Others	\$ <u>126,677</u>	\$ <u>17,274,866</u>	\$ <u>17,336,286</u>	\$ <u>65,257</u>

The accompanying notes are an integral part of these statements.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement

July 1, 1997 through June 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes, sales and use taxes, parish occupational licenses, state revenue sharing funds, and angling, hunting, and trapping licenses.

Louisiana Revised Statute 24:517(D) requires that the accounts of each tax collector be audited annually. Accordingly, the accompanying statements and schedules reflect the Sheriff's fiduciary responsibility as ex-officio tax collector. Amounts included in this report are included in the Sheriff's annual component unit financial statements. The Tax Collector Fund is an agency fund of the Sheriff's component unit financial statements.

The basis of accounting for an Agency Fund is the modified accrual basis. The measurement focus is custodial, since the fund is not involved with the performance of governmental services.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and *unsettled balances due various taxing bodies and others*. The Tax Collector Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operation.

2. DEPOSIT FUNDS

At June 30, 1998, the tax collector has cash and cash equivalents (book balances) totaling \$64,247 consisting of interest-bearing demand deposits. These funds are included as part of the total deposits of \$938,119 of the Tangipahoa Parish Sheriff's Office, at June 30, 1998, and consist of the following:

Demand Deposits	\$ 1,200
Interest-Bearing Demand Deposits	<u>936,919</u>
Total	<u><u>\$ 938,119</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 1998, the sheriff has \$1,371,260 in deposits (collected bank balances). These deposits are secured from risk by \$191,991 of federal deposit insurance and \$1,179,269 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana
Notes to the Financial Statement
(Continued)
July 1, 1997 through June 30, 1998

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3. AD VALOREM TAXES

Ad Valorem taxes are recorded in the year the taxes are due and payable. Ad Valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

4. REVENUE SHARING FUNDS

The revenue sharing funds were distributed as follows:

Tangipahoa Parish:	
Parish Council	\$ 319,932
School Board	141,099
Assessor	162,307
Drainage Districts	112,795
Fire Protection Districts	234,413
Library	170,986
Health Unit	139,013
Port Commission	56,387
Pension Funds	35,123
Sheriff:	
Law Enforcement District	254,966
Commissions	356,568
Total	<u><u>\$ 1,983,589</u></u>

TANGIPAHOA PARISH TAX COLLECTOR

Amite, Louisiana

Notes to the Financial Statement

(Continued)

July 1, 1997 through June 30, 1998

5. TAXES PAID UNDER PROTEST.

At June 30, 1998, there were no protested taxes.

6. LITIGATION

The Tangipahoa Parish Sheriff is involved in several lawsuits. In the opinion of the Sheriff's legal counsel, resolution of these lawsuits would not involve a liability to the Tangipahoa Parish Tax Collector's office.

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Statement B

Statement of Collections, Settlements, and Cash Balances
July 1, 1997 through June 30, 1998

Cash Balance at July 1, 1997		
Due to Taxing Bodies and Others		\$ 126,677
Collections:		
Ad Valorem Taxes	\$ 14,007,031	
Prior Year Taxes	74,649	
Clerk of Court	5,274	
Angling, Hunting, and Trapping Licenses	264,814	
Parish Licenses	397,308	
Interest on Delinquent Taxes	51,380	
State Revenue Sharing (Note 4)	1,983,589	
Hotel / Motel Tax	178,837	
Tax Notices, Costs, Etc.	119,608	
Refunds and Redemptions	152,820	
Interest Earned on Interest Bearing Accounts	33,506	
Louisiana Tax Commission	6,050	
Total Collections		17,274,866
Settlements:		
Louisiana Department of Wildlife and Fisheries	204,907	
Louisiana Forestry Commission	18,922	
Tangipahoa Parish:		
Parish Council	2,028,483	
School Board	3,769,579	
Sheriff	3,942,333	
Assessor	947,929	
Tourist Commission	155,621	
Clerk of Court	5,274	
Drainage Districts	831,402	
Recreation Districts	317,898	
Fire Protection Districts	1,617,318	
Library	1,083,386	
Health Unit	799,132	
Port Commission	343,989	
Hammond Development District	96,010	
Florida Parish Juvenile District	494,351	
Refunds and Redemptions	174,051	
Pension Funds	418,941	
Auto Dealer's Escrow	82,572	
Louisiana Tax Commission	4,188	
Total Settlements		(17,336,286)
Cash Balance at June 30, 1998:		
Due to Taxing Bodies and Others		\$ <u>65,257</u>

The accompanying notes are an integral part of these statements.

**TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana**

Schedule 1

**Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 1998**

Section I - Internal Control and Compliance Material to the Financial Statements

No Findings for Section I

Section II-Internal Control and Compliance Material to Federal Awards

No Findings for Section II

Section III - Management Letter

Reference Numbers: 95-M1

Fiscal Year Finding Initially Occurred: 06/30/95

Description of Findings:

We had noted in prior year audits, that the programming changes required to record all collections of the "Taxes Other" account of the Tax Collector Agency Fund, had not been implemented. Management had requested that the changes be made, but were not completed by the programmer. Response by management was that they would give the programmer a final deadline for completing the required programming changes.

Correction Action Taken: Partial

Description of Partial Correction Action Taken:

The Tangipahoa Parish Tax Collector's Office met with the programmer and is in the process of implementing several accounting programs. Since a new general ledger program is now being implemented for the Sheriff's office, it is likely that the planned programming changes for the "Taxes Other" account will not be completed until the end of the current fiscal year.

Reference Numbers: 97-M1

Fiscal Year Finding Initially Occurred: 06/30/97

Description of Findings:

We noted in the prior year for the Tax Collector Agency Fund accounts that the client completed bank reconciliations on a timely basis, but still did not list categories of receipts and disbursements on bank reconciliations. Since this data was not available on a timely basis, considerable time was required at fiscal

TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana

Schedule 1
(Continued)

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 1998

year end to insure that all funds received were disbursed. We recommended that summary totals for the "Current Taxes" account also be input into a separate general ledger program and categories of receipts be reconciled on a monthly basis. The general ledger cash control account could then be reconciled to existing bank reconciliations on a current basis, and management can more closely monitor the accuracy of funds disbursed.

Correction Action Taken: Yes

Description of Correction Action Taken:

Through implementation and refinement of a new computer program, tax refunds are issued on a daily basis as required, and disbursements to taxing districts and agencies are issued at month-end. At fiscal year end, all funds were disbursed as required, or an explanation was provided for any funds being held.

Reference Numbers: 97-M2

Fiscal Year Finding Initially Occurred: 06/30/97

Description of Findings:

For the fiscal year ending June 30, 1997, we noted that accumulated interest on various Tax Collector Agency Fund accounts, was disbursed correctly, but checks were not issued until June 30, 1997. In order to insure that funds are disbursed in a timely manner, we recommend that accumulated interest in bank accounts be disbursed on a monthly basis.

Correction Action Taken: Yes

Description of Correction Action Taken:

Although disbursement of accumulated interest, for the tax collector accounts, was not made on a monthly basis, disbursement was made on a timely basis, following the "tax sale".

**TANGIPAHOA PARISH TAX COLLECTOR
Amite, Louisiana**

Schedule 2

**Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1998**

Section I - Internal Control and Compliance Material to the Financial Statements

No Section I Findings.

Section II - Internal Control and Compliance Material to Federal Awards

No Section II Findings.

Section III - Management Letter

No Section III Findings.

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109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Sheriff, J. Edward Layrisson
Tangipahoa Parish Sheriff and Ex-Officio Tax Collector
Amite, Louisiana

We have audited the financial statements of the Tangipahoa Parish Tax Collector Agency Fund for the period of July 1, 1997 through June 30, 1998, and have issued our report thereon dated August 28, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Tax Collector's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Tangipahoa Parish Tax Collector's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material

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weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Tangipahoa Parish Tax Collector's Office in the *Summary Schedule of Prior Year Audit Findings*, as Reference Numbers 95-M1, 97-M1, and 97-M2.

This report is intended for the information of management, the Legislative Auditor, and the Federal Cognizant Agent. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation
Kentwood, Louisiana
August 28, 1998

